



Texas Department of Insurance, Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor's Name and Address: RICHARDSON REGIONAL MEDICAL CENTER C/O MORRISON & WEINSTEIN LLP 100 WILLOWBROOK DR ATHENS TX 75751	MFDR Tracking #:	M5-08-0105-01
	Previous Tracking #:	M4-04-8288-01
	DWC Claim #:	
Respondent Name and Box #: Employers Mutual Casualty Co. Box #: 19	Injured Employee:	
	Date of Injury:	
	Employer Name:	
	Insurance Carrier #:	

PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Requestor's Position Summary: "EMC Insurance Company has denied this claim contending that it was not pre-authorized. However, Richardson Regional was unable to pre-authroize [sic] these services. This injured worker was transferred from an outpatient facility for treatment due to acute agitation, worsening depression, and homicidal ideation. His admission GAF was 50. Therefore, when he was admitted to our client's facility, insurance verification ad prior authorization were not possible as it was unobtainable from the patient."

Principle Documentation:

1. DWC 60 Package
2. Total Amount Sought - \$4,347.40
3. Hospital Bill
4. EOB
5. IRO Decision

PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION

Respondent's Position Summary: "This is a fee dispute involving preauthorization. According to Rule 134.600(h), the services requested require preauthorization. The carrier asserts that the services in dispute did not receive the required preauthorization. Therefore, payment for these services is denied."

Principle Documentation:

1. Response Package

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Denial Code(s)	Disputed Service	Amount in Dispute	Amount Due
8/8/2003- 8/12/2003	A, 930	Inpatient Psychiatric Services	\$4,347.40	\$0.00
Total Due:				\$0.00

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code and Division Rule 133.308 (relating to Medical Dispute Resolution by Independent Review Organization), Medical Dispute Resolution assigned an Independent Review Organization (IRO) to conduct a review of the medical necessity issues between the Requestor and Respondent. Texas Labor Code §413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division rule at 28 Texas Administrative Code §134.1, titled *Use of the Fee Guidelines*, effective May 16, 2002 set out the reimbursement guidelines.

1. For the services involved in this dispute, the respondent reduced or denied payment with reason code:
 - A – “Pre-authorization not obtained”
 - 930 – “Pre-authorization required, reimbursement denied.”
2. This dispute relates to inpatient psychiatric services provided in a hospital setting with reimbursement subject to the provisions of 28 Texas Administrative Code §134.401(a)(2), effective August 1, 1997, 22 TexReg 6264, which states that “Psychiatric and/or rehabilitative inpatient admissions are not covered by this guideline and shall be reimbursed at a fair and reasonable rate until the issuance of a fee guideline on these specific types of admissions.”
3. Division rule at 28 TAC §134.1, effective May 16, 2002, 27 TexReg 4047, requires that “reimbursement for services not identified in an established fee guideline shall be reimbursed at fair and reasonable rates as described in the Texas Workers’ Compensation Act, §413.011”...
4. Texas Labor Code §413.011(d) requires that fee guidelines must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual’s behalf. It further requires that the Division consider the increased security of payment afforded by the Act in establishing the fee guidelines.
5. Division Rule at 28 TAC §134.600(b)(1)(A), effective January 1, 2003, 27 TexReg 12359, provides that “The carrier is liable for all reasonable and necessary medical costs relating to the health care required to treat a compensable injury:”...”listed in subsection (h) or (i) of this section, only when the following situations occur :”... “an emergency, as defined in §133.1 of this title (relating to Definitions)”
6. The carrier has denied the disputed services for “Pre-authorization not obtained” and “Pre-authorization required, reimbursement denied.” The disputed services were subsequently reviewed by an Independent Review Organization. The Independent review organization found that “This admission was an emergency and left no time for pre-authorization.” The Division has reviewed the enclosed IRO decision and has determined that an emergency existed at the time of admission. The Division therefore concludes that the carrier’s denial reasons are not supported.
7. Division rule at 28 TAC §133.307(g)(3)(B), effective January 2, 2002, 26 TexReg 10934; amended to be effective January 1, 2003, 27 TexReg 12282; and applicable to disputes filed on or after January 1, 2003 requires the requestor to send additional documentation relevant to the fee dispute including “a copy of any pertinent medical records”... This request for medical fee dispute resolution was received by the Division on April 8, 2004. Pursuant to §133.307(g)(3), the Division notified the requestor on April 15, 2004 to send the additional required documentation. Review of the submitted evidence finds that the requestor has not sent a copy of any pertinent medical records. The Division concludes that the requestor has not provided documentation sufficient to meet the requirements of Division rule at 28 TAC §133.307(g)(3)(B).
8. Division rule at 28 TAC §133.307(g)(3)(C), effective January 2, 2002, 26 TexReg 10934; amended to be effective January 1, 2003, 27 TexReg 12282; and applicable to disputes filed on or after January 1, 2003 requires the requestor to send additional documentation relevant to the fee dispute including “a statement of the disputed issue(s) that shall include: (i) a description of the healthcare for which payment is in dispute, (ii) the requestor’s reasoning for why the disputed fees should be paid or refunded, (iii) how the Texas Labor Code and commission [now the Division] rules, and fee guidelines, impact the disputed fee issues, and (iv) how the submitted documentation supports the requestor position for each disputed fee issue. This request for medical fee dispute resolution was received by the Division on April 8, 2004. Pursuant to §133.307(g)(3), the Division notified the requestor on April 15, 2004 to send the additional required documentation. Review of the submitted documentation finds that the requestor did not state how the Texas Labor Code and Division rules impact the disputed fee issues or how the submitted documentation supports the requestor position for each disputed fee issue. The Division concludes that the requestor has not provided documentation sufficient to meet the requirements of Division rule at 28 TAC §133.307(g)(3)(C)(iii) and §133.307(g)(3)(C)(iv).
9. Division Rule at 28 TAC §133.307(g)(3)(D), effective January 2, 2002, 26 TexReg 10934; amended to be effective January 1, 2003, 27 TexReg 12282, applicable to disputes filed on or after January 1, 2003, requires the requestor to provide “documentation that discusses, demonstrates, and justifies that the payment amount being sought is a fair and reasonable rate of reimbursement”... The requestor’s position statement does not articulate a methodology under which fair and reasonable reimbursement should be calculated. The requestor’s *Table of Disputed Services* indicates that payment is sought in the amount of the billed charges. Review of the submitted documentation finds that the requestor does not explain how it determined that payment of \$4,347.40 would result in a fair and reasonable reimbursement for the services in dispute. The requestor does not discuss or explain how payment of the requested amount would ensure the quality of medical care, achieve effective medical cost control, ensure that similar procedures provided in similar circumstances receive similar reimbursement, or otherwise satisfy the statutory requirements and Division rules. Nor did the requestor submit documentation to support the proposed reimbursement methodology.
10. Additionally, a reimbursement methodology based upon payment of the hospital’s billed charges, or a percentage of billed charges, does not produce an acceptable payment amount. This methodology was considered and rejected by the Division in the *Acute Care Inpatient Hospital Fee Guideline* adoption preamble which states at 22 *Texas Register* 6276 (July 4, 1997) that

"A discount from billed charges was another method of reimbursement which was considered. Again, this method was found unacceptable because it leaves the ultimate reimbursement in the control of the hospital, thus defeating the statutory objective of effective cost control and the statutory standard not to pay more than for similar treatment of an injured individual of an equivalent standard of living. It also provides no incentive to contain medical costs, would be administratively burdensome for the Commission and system participants, and would require additional Commission resources."

Thorough review of the documentation submitted by the requestor finds that the requestor has not discussed, demonstrated or justified that payment of the amount sought would be a fair and reasonable rate of reimbursement for the services in dispute. Reimbursement cannot be recommended.

11. The Division would like to emphasize that individual medical fee dispute outcomes rely upon the evidence presented by the requestor and respondent during dispute resolution, and the thorough review and consideration of that evidence. After thorough review and consideration of all the evidence presented by the parties to this dispute, it is determined that the submitted documentation does not support the reimbursement amount sought by the requestor. The Division concludes that an emergency did exist at the time of admission. However, the Division further concludes that this dispute was not filed in the form and manner prescribed under Division rules at 28 Texas Administrative Code §133.307(g)(3)(B), §133.307(g)(3)(C)(iii), §133.307(g)(3)(C)(iv) and §133.307(g)(3)(D). Additionally, the Division concludes that the requestor failed to meet its burden of proof to support its position that additional reimbursement is due. As a result, the amount ordered is \$0.00.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code § 413.011(a-d), § 413.031 and § 413.0311
28 Texas Administrative Code §133.1, §133.307, §134.1, §134.401, §134.600
Texas Government Code, Chapter 2001, Subchapter G

PART VII: DIVISION DECISION AND/OR ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the Requestor is not entitled to reimbursement for the services involved in this dispute.

DECISION:

Authorized Signature

Grayson Richardson

Medical Fee Dispute Resolution Officer

4/30/2010

Date

VIII: YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.